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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
) CC Docket No. 94-120
AT&T Communications) Transmittal No. 6788
Tariff Nos. 9 and 11)
)

COMMENTS ON DIRECT CASE

Southwestern Bell Telephone Company (SWBT), pursuant to the Order Designating Issues for Investigation,¹ hereby files its Comments on AT&T's Direct Case associated with its Transmittal No. 6788. While SWBT supports some of AT&T's points, SWBT disagrees with a portion of AT&T's argument.

I. SWBT SUPPORTS SOME ASPECTS OF AT&T'S DIRECT CASE.

SWBT supports AT&T's view that it should be permitted to resell the flat rated Entrance Facilities and Direct Trunked Transport which are AT&T's primary responsibility under Local Transport Restructure (LTR).² SWBT agrees that end user customers, as well as other customers of access service, have numerous options available to them.³ Not only can end users go directly to the local exchange carrier (LEC) to order connection service to AT&T's point-of-presence (POP), but they have the option of selecting an

¹ AT&T Communications Tariff F.C.C. Nos. 9 and 11, CC Docket No. 94-120, Transmittal No. 6788, Order Designating Issues for Investigation, (DA 94-1118) (released October 7, 1994, Comm. Carr. Bur.).

² AT&T at pp. iii and 8-9.

³ AT&T at pp. ii, 4-5, 8-9.

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interexchange carrier (IXC) other than AT&T to provide the interexchange portion of their service.

SWBT also supports AT&T's position that it is acceptable for AT&T to bundle Entrance Facility and Direct Trunked Transport services when re-selling them to end user customers.⁴ Given that customers have options available to them, a single IXC's pricing arrangement need not be taken by the customer. For the same reason, SWBT supports AT&T's contention that the resale of Entrance Facilities and Direct Trunked Transport are Tariff 11 type services and should not be subject to Price Cap.⁵

Finally, SWBT agrees that the split billing issue is irrelevant to the reasonableness of AT&T's efforts to resell portions of its Entrance Facilities and Direct Trunked Transport.⁶

II. SWBT DISAGREES WITH OTHER POINTS ARGUED BY AT&T.

SWBT disagrees with AT&T's contention⁷ that AT&T has been placed in this situation by the unsanctioned actions of LECs in connection with the LECs' LTR tariffs. It is true that nowhere in the LTR Order⁸ did the Commission specifically advise the LECs to

⁴ AT&T at pp. ii, 8-9.

⁵ AT&T at pp. 11-12.

⁶ AT&T at pp. ii, 13-15; Attachment 1, pp. 16-17.

⁷ AT&T at p. 2.

⁸ Transport Rates Structure and Pricing. 7 FCC Rcd 7006 (1992) (Transport Order); recon. 8 FCC Rcd 5370 (1993) (First Reconsideration Order); further recon., 8 FCC Rcd 6233 (1993); further recon pending, (collectively Transport Orders).

begin billing AT&T for the facilities which were once billed to end user customers. The LTR Order was quite clear, however, that LTR involved the unbundling of Transport from Switching, so that customers would be permitted to purchase Transport, or some component of it, from parties other than the LEC. The LTR Order was also very clear that LECs should bill Entrance Facilities and Direct Trunked Transport on a flat rate basis to the customer to whom the facility is dedicated. Therefore, for Entrance Facilities and Direct Trunked Transport (just as for Channel Terminations and InterOffice Mileage on the Special Access services), there is only one customer of record. Contrary to AT&T's assertions, the LECs managed the LTR conversion in a reasonable manner.

SWBT does not agree with AT&T's response⁹ to the question of how end users will be able to use a LEC's voice grade transport and entrance facilities to enter AT&T's POP if AT&T requires a DS1 interface. AT&T claims that, just as with other access traffic, the LEC is responsible for providing access and delivering traffic to AT&T, or any other IXC, pursuant to reasonable interface requirements established by that IXC.¹⁰ AT&T also states that it is the LEC's obligation to aggregate traffic, if necessary, to deliver the traffic to the IXC, and, if such aggregation imposes a cost on the LEC, it is the LEC's responsibility to recover such expenses through its access tariffs.¹¹

⁹ AT&T at p. 7 and Attachment 1, p. 8.

¹⁰ AT&T at p. 7 and Attachment 1, p. 8.

¹¹ AT&T at p. 7.

AT&T is wrong on this point. According to the terms of SWBT's Switched Access tariffs, SWBT offers Local Transport at the Voice Grade, DS1 and DS3 levels. It is the interface requirement of the IXC customer that determines the transport level the IXC will be billed. SWBT's decision to predicate billing based on the ordered interface allows SWBT to effectively distinguish services based on customer requirements rather than on SWBT's selection of underlying technology. Such methodology permits SWBT to bill for the services actually provided.

A difficult situation would result if an end user customer ordered a switched access voice grade interface to AT&T's POP, and if, as is presently the case, AT&T refused to allow voice grade interfaces. Under current tariffs, SWBT would not bill the end user for voice grade Entrance Facilities while actually providing a DS1 level entrance facility. Under such circumstances the end user could choose to elect an IXC other than AT&T (as AT&T notes),¹² to find one that permits voice grade interconnections or one that will pay for the DS1 interface to handle its service.

While AT&T apparently prefers to characterize this problem as an end user Feature Group A and B problem,¹³ SWBT notes that the access tariff does not distinguish between classes of customers. Customer distinctions have been blurring for years and end users customers now routinely order services just like any other access customer.

¹² AT&T at pp. ii, 8-9.

¹³ AT&T at pp. i, 1-3; Attachment 1, p. 4.

SWBT also challenges AT&T's assertion that the actual facilities and network interface used to provide access service should be transparent to a customer.¹⁴ End user customers are sophisticated enough to understand the economic advantages of ordering access services. Therefore, they are sophisticated enough to understand how these services are ordered and provided.

Finally, the manner in which services were provisioned pre-LTR deserves comment in light of AT&T's argument. AT&T states that:

Prior to their restructured local transport tariffs, it is AT&T's understanding that the LEC would determine over which facilities the Feature Group A or B traffic traveled. The LEC would either determine to use an access facility not leased to others, or request to use an existing AT&T special facility.¹⁵

In SWBT territory, AT&T had Connecting Facility Assignment control of all the facilities SWBT provided to AT&T's POP. This assignment control was not new with LTR as it may have been in other LEC territory. Therefore, it was the party that had circuit facility assignment control that became the local transport facility customer under LTR.

¹⁴ AT&T at Attachment 1, p. 8.

¹⁵ AT&T at Attachment 1, pp. 11-12.

III. CONCLUSION

For the foregoing reasons, SWBT respectfully requests that the Commission allow AT&T's transmittal to take effect, but to note the corrections to AT&T's argument listed above.

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CERTIFICATE OF SERVICE

I, Martha Marshalek, hereby certify that the foregoing Comments on Direct Case of Southwestern Bell Telephone Company, have been served this 10th day of November, 1994 to the Parties of Record.

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